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FISCAL IMPACT STATEMENT

LS 7362

BILL NUMBER: HB 1347

NOTE PREPARED: Jan 12, 2004

BILL AMENDED:

SUBJECT: Tax abatement and local income tax distributions.

FIRST AUTHOR: Rep. Harris

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill suspends the transfer of certain tax abatement duties from the Department of Local Government Finance (DLGF) to county auditors. The bill specifies that in the laws governing local option income taxes the term "levy" refers to the abstract levy.

Effective Date: Upon passage.

Explanation of State Expenditures: During the 2003 legislative session (P.L. 245-2003 and P.L. 256-2003), the responsibility for certain property tax abatements was transferred from the DLGF to county auditors, effective for taxes payable in 2005. The proposal allows a one-year extension by providing that the transfer of duties affects taxes payable in 2006. This provision will have no impact on the DLGF as they will continue with the tasks for one more year. The bill also clarifies that the term "levy" refers to the abstract levy. This clarification should have no fiscal impact. The DLGF may adopt temporary rules to implement the above. If the DLGF elects to adopt temporary rules, the DLGF could experience an increase in administrative expenses. However, the DLGF should be able to absorb any additional expenses given its current budget and resources.

Explanation of State Revenues:

Explanation of Local Expenditures: Counties would also receive a one-year extension before they would have to assume responsibilities for certain property tax abatements. This provision could delay some expenses to counties for one year.

Explanation of Local Revenues:

State Agencies Affected: Department of Local Government Finance

Local Agencies Affected: Counties.

Information Sources:

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